



Bill Owens
Governor

Colorado Department of Local Affairs
Executive Director, Michael L. Beazley

DIVISION OF PROPERTY TAXATION

Mary E. Huddleston
Property Tax Administrator

TO: APPLICABLE GOVERNMENT AGENCIES

FROM: Mary E. Huddleston
Property Tax Administrator

SUBJECT: Possessory Interest Data Request

DATE: December 2, 2003

MEMORANDUM

The Colorado Division of Property Taxation is requesting lease/permit information from your agency in order to comply with the Colorado Supreme Court decision; see Board of County Commissioners, County of Eagle, State of Colorado v. Vail Associates, Inc. et al and the Board of Assessment Appeals and Allen S. Black et al, v. Colorado State Board of Equalization, 19 P. 3d 1263 (Colo. 2001). In its decision, the court ruled that certain possessory interests are subject to ad valorem taxation in Colorado.

A possessory interest is defined as a private property interest in government-owned property or the right to the occupancy and use of any benefit in government-owned property that has been granted under lease, permit, license, concession, contract or other agreement. The use of the property must be in connection with a business conducted for profit.

Based on the direction of the court and our research we have determined that taxable possessory interests may include, but are not limited to:

1. Private concessionaires utilizing government owned land, improvements, or personal property that are not operating pursuant to a management contract as defined in 39-1-103(17)(a)(III), C.R.S.
2. Government land and improvements used in the operation of a farm or ranch.
3. Government land, improvements, and/or personal property used in the operation of ski or recreational areas.
4. Land underlying privately owned cabins or other residential property located on government land that is rented commercially.
5. Recreational use of lakes, reservoirs, and rivers in a revenue-generating capacity.
6. Recreational use of land for outfitting purposes in a revenue-generating capacity.
7. Land, improvements, and personal property at a tax-exempt airport.

The lease/permit information is collected by the Division and then disseminated to each applicable county assessor's office. This process was originally set up to alleviate each government agency from fielding requests from numerous counties within the state. However, some of the data received in 2003 was not all-inclusive causing some interaction between individual counties and local district offices. We realize this may occur again.

In order to expedite the process of collecting possessory interest lessee/permittee information

from your agency, it would be helpful if the following column headings, preferably in an EXCEL spreadsheet format, would be used. The headings listed below represent the minimum amount of information needed for most types of permits or leases. More complicated agreements and/or agreements involving more than one county will be researched by each respective county assessor.

AUTHORIZATION #, ALLOTMENT # OR NAME, LEASE #, etc.

COUNTY

LESSEE/PERMITTEE NAME

MAILING ADDRESS

CITY

STATE

ZIP CODE

LEGAL DESCRIPTION (Property Situs)

At the least, a township and range

ANNUAL PAYMENT

CONTRACT DATE (Start-up date)

EXPIRATION DATE

Any additional information may be included if already resident on your database. It would be greatly appreciated if this data could be made available as soon after January 1, 2004, as possible. You may e-mail the data directly to judy.kahl@state.co.us. If you have any questions regarding this process please call Judith Kahl at 303.866.2683.

Thank you for your cooperation.